

ORDINANCE NO. 7019

AN ORDINANCE approving Resolution No. 84-7 and Resolution No. 84-14 of the Board of Directors of the King County Economic Enterprise Corporation adopted on August 17, 1984 and November 2, 1984, respectively.

PREAMBLE:

In accordance with the provisions of Ordinance No. 6628 passed on January 3, 1984, whereby the King County Council created the King County Economic Enterprise Corporation (the "Enterprise Corporation"), and RCW 39.84.100(6), any agreement to issue revenue bonds by the Enterprise Corporation must be approved by the King County Council.

The Board of Directors of the Enterprise Corporation at a meeting on August 17, 1984 adopted Resolution No. 84-7 stating the intent of the Enterprise Corporation to issue approximately \$1,480,000 of industrial development revenue bonds for the benefit of NorMed-Shaw Partnership, a partnership, and at a meeting on November 2, 1984 held a public hearing pursuant to 26 U.S.C. §103(k)(2)(B) and adopted Resolution No. 84-14 authorizing the issuance, sale and delivery of the \$1,480,000 of nonrecourse industrial development revenue bonds for the benefit of NorMed-Shaw Partnership, a partnership.

BE IT ORDAINED BY THE KING COUNTY COUNCIL:

SECTION 1. Resolution No. 84-7 and Resolution No. 84-14 of the Board of Directors of the King County Economic Enterprise Corporation, and attached hereto as Exhibit A and Exhibit B, respectively, and incorporated herein by reference, are each hereby approved.

INTRODUCED AND READ for the first time this 13th day of November, 1984.

PASSED this 20th day of November, 1984.

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Gary Grant
Chairman

ATTEST:

Janet M. Owens
Clerk of the Council

APPROVED this 21st day of November, 1984.

Randy Revell
King County Executive

RESOLUTION NO. 84-7

:7019

A RESOLUTION of the Board of Directors of the King County Economic Enterprise Corporation taking official action with respect to the issuance of its nonrecourse revenue bonds in the amount of \$1,480,000 to provide funds to finance the acquisition, construction and installation of warehousing facilities for industrial medical supplies for NorMed-Shaw Partnership.

WHEREAS, pursuant to Chapter 300, Laws of Washington 1981, codified as Chapter 39.84 RCW, as amended, (the "Act"), Ordinance No. 6628 (the "Ordinance") of King County, Washington (the "County") and the Charter of the King County Economic Enterprise Corporation (the "Enterprise Corporation"), the Enterprise Corporation is authorized to issue its nonrecourse revenue bonds to finance industrial development facilities (as defined in the Act) under the conditions and limitations set forth in the Act; and

WHEREAS, the NorMed-Shaw Partnership, a Washington general partnership (the "Partnership"), intends to undertake a project consisting of the acquisition, construction and installation of warehousing facilities for industrial medical supplies, fully described in Exhibit 1 hereto (the "Project") within the boundaries of the County, which Project constitutes an industrial development facility under the Act; and

WHEREAS, the Board of Directors of the Enterprise Corporation deems it advisable for the Enterprise Corporation (i) to issue its nonrecourse revenue bonds (the "Bonds") for the purpose of financing the Project and (ii) to enter

into contracts and agreements with the Partnership whereunder the Partnership will provide money sufficient to pay the principal of, premium, if any, and interest on such Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION:

Section 1. It is hereby determined that (a) the acquisition, construction and installation of the Project and its operation as an industrial development facility; (b) the issuance of up to \$1,480,000 principal amount of the Bonds of the Enterprise Corporation to finance a portion of the costs of the Project, such costs presently estimated to be approximately \$1,819,700; and (c) the execution and delivery of such contracts and agreements with the Partnership as are necessary to provide for the payment by the Partnership of amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds, together with certain costs of the Enterprise Corporation, will all be in furtherance of the Act, and Ordinance and the Charter of the Enterprise Corporation.

Section 2. The Enterprise Corporation presently intends to authorize the issuance and sale of the Bonds pursuant to the provisions of the Act when and if requested to do so by the Partnership and hereby expresses its present approval of such issuance and sale. This resolution is not intended to legally bind the Enterprise Corporation to authorize, issue or sell the Bonds.

Section 3. The authorization, issuance and sale of the Bonds by the Enterprise Corporation contained herein are subject to the following conditions:

(a) The Bonds shall be payable solely from money received from and security provided by the Partnership;

(b) The Partnership shall enter into such contracts and agreements

with the Enterprise Corporation as shall be necessary to secure payment of the principal of, premium, if any, and interest on the Bonds as and when the same shall become due and payable;

(c) On or before two (2) years from date hereof (or such later date as shall be mutually satisfactory to the Enterprise Corporation and the Partnership) the Enterprise Corporation and the Partnership shall have agreed to mutually acceptable terms and conditions of the contracts and agreements referred to in Paragraph (b) of this section;

(d) The Project is determined to be consistent with policies and objectives of the County, including but not limited to those policies and objectives set forth in the Ordinance; and,

(e) The Enterprise Corporation shall have received a preliminary opinion of the Enterprise Corporation's Bond Counsel that the Bonds may be issued as tax-exempt obligations pursuant to the provisions of the federal Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

Section 4. The proper officials of the Enterprise Corporation are hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof and to issue the Bonds upon the terms and conditions and for the purposes stated herein and in compliance with applicable provisions of law.

Section 5. It is intended that, as to the Project to be financed from the proceeds of the Bonds, this resolution shall constitute an official action of the Enterprise Corporation, including, without limitation, the "other similar official action" referred to in Paragraph 1.103-8(a)(5)(ii) and (iii) of the federal Income Tax Regulations.

ADOPTED by the Board of Directors of the King County Economic Enterprise Corporation this 17th day of August, 1984.

BOARD OF DIRECTORS
KING COUNTY ECONOMIC ENTERPRISE CORPORATION

Steve A. Hani
President

ATTEST:

Robert D. Col
Secretary

EXHIBIT 1 TO RESOLUTION 84-7

Project Description

The Project consists of the acquisition, construction and installation of a warehouse facility for the Partnership's inventory of industrial medical supplies. The Partnership will also manufacture and repackage some medical items on the premises. The facilities consists of a single story, concrete, tilt-up building with mezzanine and includes incidental office space to support the warehousing and manufacturing functions. The Project is located at S. 134th Street between 43rd Avenue South and 44th Place South, Tukwila, Washington, within the boundaries of King County. The Project will require the acquisition and installation of new and existing utilities and other things necessary in connection with the foregoing general description.

RESOLUTION NO. 84-14

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION, AUTHORIZING THE MAKING OF A LOAN TO NORMED-SHAW PARTNERSHIP, FOR THE PURPOSE OF FINANCING THE ACQUISITION, CONSTRUCTION AND INSTALLATION OF INDUSTRIAL DEVELOPMENT FACILITIES BY NORMED-SHAW PARTNERSHIP; AUTHORIZING THE ISSUANCE OF THE CORPORATION'S \$1,480,000 PRINCIPAL AMOUNT NONRECOURSE REVENUE BONDS (NORMED-SHAW PARTNERSHIP PROJECT), TO FUND SAID LOAN TO NORMED-SHAW PARTNERSHIP; PRESCRIBING THE FORM OF LOAN AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; PRESCRIBING THE FORM OF A BOND PURCHASE CONTRACT AND AUTHORIZING THE EXECUTION THEREOF; PRESCRIBING THE FORM OF ASSIGNMENT AND AUTHORIZING THE EXECUTION THEREOF; PRESCRIBING THE FORM OF DEPOSITORY AGREEMENT AND AUTHORIZING THE EXECUTION THEREOF; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION.

WHEREAS, The King County Economic Enterprise Corporation (the "Issuer"), is authorized by Ch. 39.84 RCW (the "Act"), to issue nonrecourse revenue bonds for the purpose of providing funds to make secured loans to finance or refinance the acquisition, construction and installation of of "industrial development facilities" as defined in the Act; and

WHEREAS, any bonds issued to provide funds for the making of such loan or loans shall be payable solely from the revenues received by the Issuer from the repayment of such loans and from the proceeds of the security for repayment of such loans, and such bonds shall never be construed to constitute an indebtedness of the State or of King County or any other political subdivision, municipal corporation or quasi municipal corporation within the meaning of any constitutional or statutory provisions whatsoever; and

WHEREAS, the Issuer has by Resolution No. 84-7 adopted on August 17, 1984, authorized the undertaking of an industrial development facility consisting of the acquisition, construction and installation of warehousing facilities for the storage, distribution and manufacturing of medical supplies (the "Project Facilities") by NorMed-Shaw Partnership (the "Partnership").

WHEREAS, the Partnership has requested the Issuer to issue and sell its Nonrecourse Revenue Bonds (NorMed-Shaw Partnership Project) in the aggregate principal amount of \$1,480,000 (the "Bond"), for the purpose of making a loan to the Partnership to

finance all or a portion of the Costs of the Project Facilities (hereinafter defined); and

WHEREAS, the Issuer and the Partnership have agreed to enter into a Loan Agreement (the "Loan Agreement") dated as of November 1, 1984, pursuant to which the Issuer will lend to the Partnership, the proceeds of the Bond under the terms and conditions stated therein; and

WHEREAS, the Issuer, contemporaneously with the execution and delivery of the Loan Agreement, will enter into a Bond Purchase Contract (the "Bond Purchase Contract") with Peoples National Bank of Washington, Peoples Financial Center, 1414 Fourth Avenue, Seattle, Washington 98111 (the "Purchaser"), whereby the Issuer will sell and the Purchaser will purchase the Bond; and

WHEREAS, the Issuer, contemporaneously with the issuance, execution and delivery of the Bond, will assign and pledge certain of its rights in the Loan Agreement following the issuance of the Bond to the Purchaser, as security for payment of the indebtedness evidenced by the Bond;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION as follows:

ARTICLE I

Definitions

Section 1.01. Definitions. Certain terms used in this Resolution are hereinafter defined in this Section 1.01. When used herein, such terms shall have the meanings given to them by the language employed in this Article I defining such terms, unless the context clearly indicates otherwise:

"Act" means Chapter 300, Washington Laws of 1981 (Reg. Sess.), codified as Chapter 39.84 RCW, as the same is supplemented and amended from time to time.

"Administration Expenses" means the reasonable and necessary fees and expenses incurred by the Issuer pursuant to the Loan Agreement and this Resolution.

"Assignment" means the "Assignment," dated as of November 1, 1984, pursuant to which the Issuer assigns to the Purchaser its right, title and interest in the Loan Agreement and the Deed of Trust (and duties thereunder following the issuance of the Bond).

"Authorized Partnership Representative" means such person at the time and from time to time designated by written certificate

furnished to the Issuer, the Depository, and the Registered Owner, containing the specimen signature of such person and signed on behalf of the Partnership by any Partner of the Partnership authorized to act on behalf of the Partnership.

"Basic Rate" means (1) as to the initial Purchaser the commercial lending rate publicly announced by Peoples National Bank of Washington based upon a calculation of the cost to Peoples of acquiring and loaning funds plus a return on assets as a whole. It may or may not be Peoples best or lowest lending rate. Any change in the interest rate on the Bond resulting from a change in the Basic Rate shall be effective on the effective date of each change in the "Basic Rate" announced by Peoples National Bank of Washington at its principal office in Peoples Financial Center, 1414 Fourth Avenue, Seattle, Washington 98111. (2) As to any subsequent Registered Owner Basic Rate means a rate agreed to by the Insurer, the Partnership and the new Registered Owner which serves the same function as and is comparable to the Basic Rate of Peoples National Bank. Changes in the Interest which result from this Basic Rate shall be effective on the effective date of each change as announced by the institution whose Base Rate has been selected.

"Bond Counsel" means a law firm of nationally recognized bond counsel selected by the Issuer.

"Bond Purchase Contract" means the Bond Purchase Contract by and among the Issuer, the Purchaser and the Partnership, which provides for the purchase of the Bond by the Purchaser.

"Code" means the Internal Revenue Code of 1954, as amended, together with corresponding and applicable regulations promulgated or proposed and revenue rulings issued with respect thereto by the Department of Treasury and Internal Revenue Service of the United States.

"Partnership" means NorMed-Shaw Partnership, a Washington partnership, and includes its successors and assigns as permitted under the Loan Agreement.

"Completion Date" means, substantial completion of the Project Facilities not later than three years from the date of the Bond.

"Construction Fund" means the Construction Fund authorized to be created in Section 4.03 of this Resolution.

"Construction Period" means the period between the beginning of construction of the Project Facilities and the Completion Date.

"Cost of the Project Facilities" means and includes the following items of cost and expense:

(i) the cost of preparing the plans and specifications for the Project Facilities (including any preliminary study thereof),

(ii) all costs of acquisition, construction and installation of the Project Facilities (including architectural, engineering and supervisory services with respect thereto and development fees and expenses),

(iii) all fees, taxes, charges, and other expenses for recording or filing the Loan Agreement, the Assignment and the Bond,

(iv) all legal, accounting, financial, advisory, investment banking, legal investment, and any other fees, discounts, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale of the Bond, the Loan Agreement and any other documents in connection herewith and with any other transaction contemplated by the Loan Agreement or the Bond,

(v) interest coming due on the Bond prior to the Completion Date,

(vi) reimbursement to the Partnership for any of the above-enumerated items of cost or expense paid by it; and

(viii) any other costs authorized under the Act.

"Deed of Trust" means the Deed of Trust, Security Agreement, and Assignment of Leases and Rents dated as of November 1, 1984, from the Partnership for the benefit of the Issuer.

"Depository" means Peoples National Bank of Seattle, a national banking association, having its principal offices at Peoples Financial Center, 1414 Fourth Avenue, Seattle, WA 98111, as depository of the Construction Fund.

"Depository Agreement" means the Depository Agreement dated as of November 1, 1984, by and among the Issuer, the Partnership, and the Depository.

"Events of Default" means those defaults specified in Section 7.01 of the Loan Agreement.

"Issuer" means The King County Economic Enterprise Corporation, and any successor body to the duties or functions of the Issuer.

"Loan" means the loan provided in the Loan Agreement from the Issuer to the Partnership of the proceeds of sale of the Bond.

"Loan Agreement" means the Loan Agreement dated as of November 1, 1984, between the Issuer and the Partnership as from time to time supplemented and amended.

"Loan Repayments" means those payments required to be made by the Partnership pursuant to Sections 3.01, 3.02 and 3.03 of the Loan Agreement.

"Official Action Resolution" means Resolution No. 84-7 of the Issuer adopted on August 17, 1984, pursuant to which the Issuer agreed to issue nonrecourse revenue bonds for the purpose of financing the Project Facilities.

"Permitted Encumbrances" means those encumbrances permitted to encumber the property subject to the Deed of Trust.

"Permitted Investments" means any of the following investments:

- (i) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America,
- (ii) direct obligations of or obligations guaranteed by any State of the United States of America or the District of Columbia, or obligations of the Federal Financing Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Intermediate Credit Bank, Banks for Cooperatives, Tennessee Valley Authority and Federal Home Loan Banks,
- (iii) commercial paper (other than commercial paper issued by the Partnership or any affiliated corporation) rated in any of the three highest rating categories by a nationally recognized rating agency,
- (iv) corporate bonds rated in any of the three highest rating categories by a nationally recognized bond rating agency,
- (v) repurchase agreements with banks or financial institutions provided that such banks or financial institutions have a combined capital and surplus of at least \$10,000,000 (including the Registered Owner and Deposi-

tory) with respect to any of the foregoing obligations or securities, and

- (vi) money market daily accounts, deposits with or Certificates of Deposit in banks (including the Registered Owner) or savings and loan associations provided that such banks or savings and loan associations have a combined capital and surplus of at least \$10,000,000.

"Project Facilities" means the acquisition, construction and installation of personalty, including but not limited to, buildings, related structures, fixtures, equipment and personal property acquired, constructed and/or installed by the Partnership with the proceeds of sale of the Bond. The Project Facilities are generally described in Exhibit A, attached hereto.

"Purchaser" means Peoples National Bank of Washington, a national banking association, having its principal office at Peoples Financial Center, 1414 Fourth Avenue, Seattle, Washington 98111, as the original purchaser and Registered Owner of the Bond.

"Registered Owner" means the Purchaser and any subsequent owner of record on the bond registration books of the Issuer.

"State" means the State of Washington.

"Trustee" means any bank or trust company (including the Registered Owner) when acting as Trustee, paying agent and Bond Registrar pursuant to Article IX of this Resolution.

"User" means the Partnership and any of its corporate subsidiaries or affiliated or related partnerships or companies which, from time to time, by whatever internal arrangement, presently or hereafter occupies or uses the Project Facilities, in whole or in part, in connection with its trade or business.

Section 1.02. Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to Articles, Sections and other subdivisions of this Resolution are to the Articles, Sections and other subdivisions of this Resolution, as originally adopted unless expressly stated to the contrary. The headings of this Resolution are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II

Finding of the Issuer

Section 2.01. Issuer Purposes. The Issuer finds and determines that it will be in furtherance of the purposes of the Act for the Issuer (i) to lend the Partnership \$1,480,000 for the purpose of financing the Project Facilities; (ii) in order to fund such loan to issue and sell its \$1,480,000 Nonrecourse Revenue Bonds (NorMed-Shaw Partnership Project) under the terms and conditions set forth in this Resolution and (iii) to enter into the Loan Agreement to evidence the Partnership's obligation to repay said loan as provided therein (the "Loan") and (iv) to assign and pledge the Issuer's interest in the Loan Agreement (other than with respect to costs and indemnification under Sections 3.06, 6.01, 7.06, and 7.07 thereof, which will not be assigned and pledged), and the Deed of Trust.

In reliance upon the preliminary opinion of Preston, Thorgrimson, Ellis & Holman, Bond Counsel to the Issuer, and the final opinion of said law firm to be delivered with respect to the Bond, the Issuer hereby finds and determines that the interest on the Bond will be exempt from federal income taxation.

ARTICLE III

Authorization, Terms, Execution and Issuance of Bond

Section 3.01. Authorized Amount of Bond. No Bond may be issued under this Resolution except in accordance with this Article. The total principal amount of the Bond to be issued hereunder is hereby expressly limited to \$1,480,000.

Section 3.02. Bond Not a General Obligation of Issuer. The Bond shall be payable solely out of the revenues and other security assigned and pledged hereby and shall not constitute an indebtedness of the Issuer within the meaning of any State Constitutional or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer (other than a liability for payment from the revenues and security assigned and pledged hereby) or a charge against its general credit.

Section 3.03. Authorization of Bond.

A. Pursuant to the Act, there is hereby authorized to be issued hereunder, and secured as provided herein, an issue of bonds designated as "The King County Economic Enterprise Corporation, Nonrecourse Revenue Bonds (NorMed-Shaw Partnership Project)" (the "Bond"). The Bond shall be issued as a single fully registered bond, in the denomination of \$1,480,000, shall be dated as of the date of its execution and delivery to the Purchaser and

shall be in substantially the form presented to the Board of Directors at this meeting.

B. Repayment Terms. The principal of this Bond shall be amortized for repayment over a twenty-year term as set forth in Exhibit A attached hereto and made a part hereof. Payments of principal and interest on the Bond shall be made as due in monthly installments on the first day of each calendar month.

Interest on the unpaid principal amount shall be paid on the first day of each month commencing January 1, 1985 until the principal amount is fully paid at a per annum rate equal to sixty-eight and one-half percent (68.5%) of the Basic Rate. Interest on overdue principal from the date when due, by acceleration or otherwise, until paid, shall be at the Basic Rate plus three percent (3%) per annum. In no event shall the rate of interest exceed the maximum rate permitted by law. Interest on the Bond shall be computed on the basis of a 365/366-day year based on the actual number of days elapsed.

Interest on the Bonds, should it become taxable for federal income tax purposes (other than by reason of its being held by a "substantial user" or a "related person" under Section 103 of the Code) shall be automatically adjusted to the rate set forth in Section 7 of the Bond.

c. Place of Payment. Both the principal of and interest on this Bond shall be payable in immediately available funds at the office of the Registered Owner, initially Peoples Financial Center, 1414 Fourth Avenue, Seattle, Washington 98111 or at the principal office of any successor Registered Owner.

Section 3.04. Execution of Bond; Signatures. The Bond shall be executed on behalf of the Issuer by its President or Vice President and attested by its Secretary or Assistant Secretary, and its corporate seal shall be thereunto affixed.

Section 3.05. Registration and Exchange of Bond; Persons Treated as Registered Owners.

A. The Issuer shall cause books for the registration and for the transfer of the Bond as provided in this Resolution to be kept by it or a Trustee who may hereafter be appointed the Bond registrar of the Issuer for the Bond. The Bond may thereafter be transferred only upon an assignment duly executed by the Registered Owner or his attorney duly authorized in writing in such form as shall be satisfactory to the Issuer or the Trustee, such transfer to be made on such books and endorsed on such Bond by the Issuer or the Trustee. The principal of and interest on the Bond shall be payable only to or upon the order of the Registered Owner or his legal representative. Upon surrender for transfer of the

Bond at the principal office of the Issuer or the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney-in-fact duly authorized in writing and upon satisfaction of the requirements of subsection B of this Section 3.05, the Issuer shall execute and deliver in the name of the transferee or transferees a new Bond in like aggregate principal amount of the Bond surrendered.

As to the Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal or interest on the Bond shall be made only to or upon the written order of the Registered Owner or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Issuer or the Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer.

B. The Bond may be transferred only as a whole. The Registered Owner who wishes to transfer the Bond shall furnish to the Issuer, and the Partnership an opinion of bond counsel satisfactory to the Issuer, and the Partnership that such proposed transfer will not constitute or contribute to a violation of the registration requirements of the Securities Act of 1933, as amended, or any applicable state securities or blue sky laws nor make the interest on the Bond includable in gross income under the Code. The foregoing shall not preclude the participation by the Purchaser of undivided interests in the Bond to other banks.

Section 3.06. Lost, Stolen, Destroyed, or Mutilated Bond. In the case of a lost, stolen, or destroyed Bond or upon surrender and cancellation of the Bond if mutilated (i) the Issuer shall execute and deliver a new Bond of the same date and maturity as the lost, stolen, destroyed or mutilated Bond or (ii) if the Bond shall have matured or have been called for redemption, in lieu of executing and delivering the new Bond as aforesaid, the Issuer may pay such Bond. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Trustee, if any, and furnish indemnity in connection with the issuance of such new Bond.

Section 3.07. Delivery of the Bond; Pledge of Loan Repayments of the Issuer From the Loan. The Issuer shall execute and deliver the Bond to the Purchaser and deposit the proceeds of sale

thereof with the Depository upon receipt by the Issuer of the following documents:

(a) a fully executed copy or counterpart of the Loan Agreement and all instruments, documents and certificates required to be delivered pursuant to the terms thereof;

(b) a fully executed copy or counterpart of the Bond Purchase Contract and all instruments, documents, certificates and opinions required to be delivered pursuant to the terms thereof;

(c) a certificate signed by the Purchaser setting forth the then current Basic Rate in effect at Peoples National Bank of Washington, Peoples Financial Center, 1414 Fourth Avenue, Seattle, Washington 98111; and

(d) an executed copy or counterpart of the Depository Agreement.

Upon the execution and delivery of the Bond, the Issuer shall pledge the Loan Repayments and the other receipts and revenues derived pursuant to the Loan Agreement by assigning and pledging to the Purchaser (i) the Issuer's interest in the Loan Agreement (except for the Issuer's rights under Sections 3.06, 6.01, 7.06 and 7.07 thereof which will not be assigned and pledged), and (ii) the Deed of Trust.

ARTICLE IV

Disposition of Proceeds of the Bond; Construction Fund

Section 4.01. Source of Payment of Bond. The Bond and all payments by the Issuer thereunder are not general obligations of the Issuer but are the limited, special obligations of the Issuer payable solely from the Loan Repayments and other revenues and receipts derived under the Loan Agreement and other security pledged by the Partnership.

Section 4.02. Disposition of Proceeds from the Sale of the Bond. The proceeds received by the Issuer from the sale of the Bond to Purchaser shall be deposited in the Construction Fund established in Section 4.03 hereof.

Section 4.03. Construction Fund; Disbursements. There is hereby created and established with Peoples National Bank of Seattle, Peoples Financial Center, 1414 Fourth Avenue, Seattle, WA 98111, acting as depository (the "Depository") a depository fund designated as "The King County Economic Enterprise Corporation,

Nonrecourse Revenue Bonds (NorMed-Shaw Partnership Project) Construction Fund" (the "Construction Fund"). Interest and other income received on investments of money in the Construction Fund shall be deposited in the Construction Fund. Such amounts shall be expended to pay the Cost of the Project Facilities in accordance with the provisions of Sections 1.05 and 4.01 of the Loan Agreement and the provisions of the Depository Agreement.

Until the Project Facilities shall have been constructed, acquired, and installed and a certificate of completion of the Project Facilities filed as provided in Section 4.03 of the Loan Agreement, the Depository shall from time to time on the written request of the Partnership or the Issuer, file with the Partnership, or the Issuer, a statement of income and disbursements with respect to the Construction Fund.

Section 4.04. Construction of the Project Facilities. The completion of the construction of the Project Facilities and payment of all the Cost of the Project Facilities shall be evidenced by the filing with the Depository of the certificate required by Section 4.01 of the Loan Agreement. There shall be filed a certificate of completion as to the building portion of Project Facilities at the time the building portion is substantially complete. As soon as practicable, any balance remaining in the Construction Fund shall be applied as provided in the Depository Agreement. Notwithstanding any other provisions of this Resolution or of the Loan Agreement, any money shall not be invested at a yield in excess of that permitted under the Depository Agreement.

Section 4.05. Repayment to the Partnership From the Construction Fund. Any amounts remaining in the Construction Fund or otherwise held by the Depository pursuant to the terms hereof or the Depository Agreement after payment in full of the Bond (or after making provision for such payment), the fees and expenses of the Depository and the Trustee, the administration expenses, and all other amounts required to be paid hereunder and under the Loan Agreement shall be paid to the Partnership upon the expiration or sooner termination of the Loan Agreement.

Section 4.06. Maintenance of Books and Records. The Depository shall keep and maintain adequate records pertaining to the Construction Fund established hereunder and all payments therefrom which shall be open to inspection by the Issuer or the Partnership or their duly authorized agents during normal business hours of the Depository.

ARTICLE V

Covenants of the Issuer

Section 5.01. Performance of Covenants; Authority. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution, in the Bond and in all proceedings of the Issuer pertaining thereto. The Issuer covenants that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bond and to adopt this Resolution, to pledge and assign the Loan Repayments and other revenues and receipts hereby pledged, and to assign its rights under and pursuant to the Loan Agreement and the Deed of Trust in the manner and to the extent herein set forth, that all action on its part for the issuance of the Bond and the adoption of this Resolution has been duly and effectively taken and will be duly taken as provided herein, and that the Bond in the hands of the Registered Owner thereof is and will be a valid and enforceable obligation of the Issuer according to the import thereof subject only to laws of bankruptcy or insolvency affecting creditors' rights generally.

Section 5.02. Instruments of Further Assurance. The Issuer covenants that it will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such resolutions supplemental hereto and such further acts, instruments, and transfers for the better conveying, assuring, transferring, assigning, pledging, and hypothecating unto the Purchaser, pursuant to Section 3.07 hereof all and singular the right, title and interest of the Issuer in the Loan Agreement, the Loan Repayments, and any other revenues and receipts pledged hereby to the payment of the principal of and interest on the Bond in the manner and to the extent contemplated herein.

Section 5.03. Payment of Principal and Interest. The Issuer will promptly pay or cause to be paid the principal of and interest on the Bond according to the terms hereof. The principal of and interest on the Bond are payable solely from Loan Repayments and other receipts and revenues derived under the Loan Agreement and from the other security pledged hereby, which Loan Repayments and other receipts and revenues and security are hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bond or in this Resolution shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby.

Section 5.04. Supplemental Resolutions; Recordation of Resolution and Supplemental Resolutions. The Issuer will execute and deliver all resolutions, supplemental hereto, and will cause this Resolution, the Loan Agreement and all supplements hereto and

thereto, as well as all security instruments, financing statements, and all supplements thereto, and other instruments as may be requested by the Registered Owner at all times to be recorded, registered and filed in such manner and in such places as may be required by law in order fully to preserve and protect the security of the Registered Owner and all rights of the Registered Owner hereunder. The Issuer shall not be required to file any security instruments except for those prepared and requested by the Registered Owner.

Section 5.05. Lien of Resolution. The Issuer hereby agrees not to knowingly create or suffer to be created any lien having priority or preference over the lien of this Resolution upon the funds or assets pledged hereby or any part thereof, other than the security interest granted by it to the Registered Owner, except as otherwise specifically provided herein. The Issuer agrees that no obligations the payment of which are secured by Loan Repayments or other money or amounts derived from the Loan Agreement and the other sources provided herein will be issued by it except in accordance with this Resolution.

Section 5.06. Rights Under the Loan Agreement. The Issuer will observe all of the obligations, terms, and conditions required on its part to be observed or performed under the Loan Agreement. The Issuer agrees that whenever in the Loan Agreement it is stated that the Issuer will notify the Registered Owner or give the Registered Owner some right or privilege, or in any way attempt to confer upon the Registered Owner the ability for the Registered Owner to protect the security for payment of the Bond, that such part of the Loan Agreement shall be as though it were set out in this Resolution in full.

The Resolution and the rights and privileges of the Registered Owner hereunder are specifically made subject to the rights and privileges of the Partnership under the Loan Agreement and nothing herein shall be construed to impair the rights and privileges granted to the Partnership under the Loan Agreement, except as otherwise provided in the Loan Agreement or this Resolution.

The Issuer agrees that the Registered Owner, as assignee of its interest in the Loan Agreement, Deed of Trust and Guaranty Agreement dated as of November 1 by and between Normed, Inc., Gail L. Shaw, Lawrence M. Shaw, Carolyn Shaw and Theresa Shaw as guarantors, may enforce, in its name or in the name of the Issuer, all rights of the Issuer and all obligations of the Partnership under and pursuant to the Loan Agreement (except for unassigned rights) for and on behalf of the Issuer, whether or not the Issuer is in default hereunder.

ARTICLE VI

Redemption of Bond Prior to Maturity

Section 6.01. Redemption of the Bond. The Bond is redeemable by the Issuer, at the direction of the Partnership or, in certain circumstances set forth in the Bond, at the direction of the Purchaser, exercised in the manner set forth in the Bond. In addition the Partnership may be required to prepay the Bond prior to its stated maturity under certain conditions set forth in full in the Bond.

ARTICLE VII

Investments

Section 7.01. Investment of Construction Fund. Any money held as part of the Construction Fund shall be invested or reinvested by the Depository at the written request and direction of the Authorized Partnership Representative (upon which the Depository is entitled to rely) in Permitted Investments. All investments shall either be subject to redemption at any time at a fixed value at the option of the Depository or shall mature not later than the business day prior to the date on which the proceeds are expected to be expended. For the purposes of any investment or reinvestment under this Section, investments shall be deemed to mature at the earliest date on which the obligor (or purchaser, in the case of a repurchase agreement) is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligation.

Section 7.02. Sale of Investments. The Depository shall sell and reduce to cash a sufficient portion of such investments whenever the cash balance in the Construction Fund is insufficient for the purposes of such fund.

Section 7.03. Depository Duty to Invest. The Depository may, in its discretion, invest money in the Construction Fund in Permitted Investments as permitted under Section 7.01 hereof, unless the Partnership shall, by written instruction of the Authorized Partnership Representative, direct the investment of the Depository of such money in specific Permitted Investments.

ARTICLE VIII

Default Provisions and Remedies of Registered Owners

Section 8.01. Events of Default and Remedies. The events of default specified in the Loan Agreement and the remedies specified

therefore are hereby incorporated within this Resolution and approved.

ARTICLE IX

Conditions for Delivery of Bond; Conditions as to Subsequent Sale of Bond

Section 9.01. Stipulations and Agreements. Notwithstanding anything to the contrary herein contained, the Bond shall not be delivered to the Purchaser unless and until the Purchaser waives any "due diligence" requirement on the part of the Board of Directors of the Issuer and the Purchaser agrees to rely solely on statements and representations of the Partnership and its own investigation of the facts and circumstances relating to the purchase of the Bond.

Section 9.02. Appointment of Trustee. Prior to any sale, conveyance or transfer of all or any portion of the Bond to any subsequent Registered Owner, and, upon payment of its costs and fees, the Issuer may adopt a supplemental resolution appointing any bank or trust company qualified to act as a trustee under the Act (including the Registered Owner) as Trustee, for the Registered Owner or Registered Owners of the Bond and prescribing the rights, duties and obligations of said Trustee. Any entity acting as trustee hereunder shall not be liable for actions taken by it hereunder in good faith, absent its own negligence or willful misconduct.

Section 9.03. Separate Trustee. At any time, for the purpose of exercising any remedies granted in this Resolution or the Loan Agreement, the Issuer and the Registered Owner shall have power to appoint an additional institution or individual as Trustee, and upon the request of the Registered Owner, the Issuer shall for such purpose join with the Registered Owner in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint such institution or individual to act as trustee, and to vest in such person or institution, in such capacity, such rights, powers, duties, trusts or obligations as the Issuer and the Registered Owner may consider necessary or desirable.

ARTICLE X

Supplemental Resolutions

Section 10.01. Resolution to Constitute Contract. Subject to the rights of the Partnership under Sections 10.02 and 10.03(b) hereof this Resolution shall constitute a contract between the Issuer and the Registered Owner and shall not be modified, amended

or rescinded so long as any portion of the Bond remains outstanding, except as otherwise provided herein.

Section 10.02. Supplemental Resolutions Not Requiring Consent of Registered Owner. The Issuer may with the consent of the Partnership, and with notice to the Registered Owner, adopt a resolution or resolutions supplemental to this Resolution as shall not be inconsistent with the terms and provisions hereof or be materially adverse to the Registered Owner of the Bond for any one or more of the following purposes:

A. to cure any ambiguity or defect in form or omission in this Resolution; or

B. to grant to or confer upon the Registered Owner any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owner; or

C. for the purposes specified in Article IX hereof.

Section 10.03. Supplemental Resolutions Requiring Consent of Registered Owner and Partnership.

A. The Registered Owner shall have the right, from time to time, anything contained in this Resolution to the contrary notwithstanding, to consent to and approve the adoption by the Issuer of such resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any supplemental resolution; provided, however, that nothing in this Section contained shall permit, or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount of, reduction in the rate, or extension of the time of payment of interest on or (ii) the creation of any interest prior to or, on a parity with the interest of the Registered Owner, or (iii) a reduction in the aggregate principal amount of any Bond without the consent of the Issuer and the Registered Owner.

B. The Issuer shall cause notice of the proposed adoption of any such supplemental resolution to be mailed by certified or registered mail to the Registered Owner and, in the case of a proposed supplemental resolution which would affect the rights of the Partnership (no such supplemental resolution being effective without the Partnership's having consented or being deemed to have consented thereto), to the Partnership at least fifteen (15) days prior to the proposed

date of adoption of any supplemental resolution. The Partnership and the Registered Owner shall be deemed to have consented to the adoption of any such supplemental resolution if the Issuer does not receive a letter of protest or objection thereto signed by or on behalf of the Partnership or the Registered Owner on or before the last (15th) day after the mailing of said notice and a copy of the proposed supplemental resolution.

ARTICLE XI

Amendments to the Loan Agreement

Section 11.01. Amendments Not Requiring Consent of Registered Owner. The Issuer and/or the Trustee, if any, may, without notice to the Registered Owner, consent to any amendment, change or modification of the Loan Agreement, as may be required (i) by the provisions of the Loan Agreement and this Resolution, (ii) for the purpose of curing any ambiguity or formal defect or omission, or (iii) in connection with any other change therein which, in the judgment of the Issuer, is not materially adverse to the Registered Owner. Notwithstanding the foregoing, to the extent not adverse to the interest of the Registered Owner, the Issuer may, without the consent of, but with prior notice to the Partnership and the Registered Owner, amend, modify or supplement this Resolution to preserve the right of the Issuer to continue to issue bonds, debts or other obligations of any nature the interest income of which is exempt from federal or state income tax or to qualify this Resolution under the "Blue Sky" laws of any state and such similar laws of the United States, if such be hereafter required in the opinion of counsel to the Issuer.

Section 11.02. Amendments Requiring Consent of Registered Owner. Except for the amendments, changes or modifications as provided in Section 11.01 hereof, the Issuer or the Trustee, if any, shall not consent to any other amendment, change or modification of the Loan Agreement without notice to and the consent of the Registered Owner at the time outstanding given and procured in the same fashion as in Section 10.03 of this Resolution providing for supplemental resolutions.

ARTICLE XII

Approval and Execution of Documents; Effectiveness of Resolution

Section 12.01. Approval. The Bond Purchase Contract and the following documents (collectively the "Documents") as presented to

the Board of Directors on this date, are hereby in all respects authorized, approved and confirmed:

- A. the Loan Agreement;
- B. the Assignment;
- C. the Bond Purchase Contract;
- D. the Depository Agreement;
- E. the Deed of Trust; and
- F. the Bond.

Pursuant to the Assignment, all right, title and interest in the Loan Agreement and the Deed of Trust shall be assigned to the Purchaser except for rights to indemnification and compensation which are hereby specifically retained. The Registered Owner is hereby authorized to exercise all rights granted to the Issuer as Beneficiary under the Deed of Trust.

The Documents shall be in substantially the form as presented at this meeting with such necessary and appropriate variations, omissions and insertions as approved, permitted or required by the officer of the Issuer executing said Documents, provided that such changes shall be within the scope of the transactions authorized by the Act. Such execution shall be conclusive evidence of the due execution, on behalf of the Issuer, of such Documents, which shall thereupon become binding upon the Issuer in accordance with their terms as authorized by the Act.

Section 12.02. Execution. The President and Secretary of the Issuer are hereby authorized to execute and deliver for and on behalf of the Issuer the Bond and the Documents in the fashion and within the scope set forth in the preceding Section, as well as any additional certificates, documents or other papers to perform all other acts as they deem necessary or appropriate to implement and carry out the matters herein authorized.

Section 12.03. Effectiveness of Resolution. This Resolution shall be in full force and effect from and after (a) its adoption by the Board of Directors of the Issuer and (b) approval of the issuance of the Bond by King County, all as provided by law. All resolutions or orders, or parts thereof, which conflict with the provisions of this Resolution are hereby waived to the extent of such conflict.

ARTICLE XIII

Miscellaneous

Section 13.01. Consents and Other Instruments of Registered Owner. Any consent, request, direction, approval, waiver, objection, appointment or other instrument required by this Resolution to be signed and executed by the Registered Owner may be signed and executed in any number of concurrent writings of similar tenor and may be signed or executed by such Registered Owner in person or by agent appointed in writing. Proof of the execution of any such instrument, if made in the following manner, shall be sufficient for any of the purposes of this Resolution, and shall be conclusive in favor of the Issuer with regard to any action taken under such instrument, namely:

A. The fact and date of the execution by any person of any such instrument may be proved by the affidavit of a witness to such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such instrument acknowledged to him the execution thereof. When such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such affidavit or certificate shall also constitute sufficient proof of his authority.

B. Any request, consent or vote of the Registered Owner shall bind every future Registered Owner of the same Bond and the Registered Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or permitted to be done by the Issuer in pursuance of such request, consent or vote.

Section 13.02. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or to be implied from this Resolution or the Bond is intended or shall be construed to give to any person other than the parties hereto, the Partnership and the Registered Owner any legal or equitable right, remedy, or claim under or in respect to this Resolution or any covenants, conditions and provisions hereof.

Section 13.03. Severability. If any provision of this Resolution shall be held or deemed to be, or shall in fact be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution, statute, rule of law or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or

unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or sections of this Resolution shall not affect the remaining portions of this Resolution, or any part thereof.

Section 13.04. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by certified mail, return receipt requested, postage prepaid, and addressed as provided in the Loan Agreement.

ADOPTED AND APPROVED at a special meeting of the Board of Directors held this 2nd day of November, 1984.

THE KING COUNTY ECONOMIC ENTERPRISE CORPORATION

By *William L. Douglas*
Acting President

Attest:
[Signature]
Secretary

Exhibit A

Project Facilities Description

The Project Facilities consist of the acquisition, construction and installation of a warehouse facility for the inventory and distribution of medical supplies. NorMed Inc. will also manufacture and repackage some medical items on the premises. The facilities consist of a single story, concrete, tilt-up building with mezzanine and includes incidental office space to support the warehousing and manufacturing functions. The Project is located at 4310 S. 131st Place, Tukwila, Washington, within the boundaries of King County. The Project will require the acquisition and installation of new and existing utilities and other things necessary in connection with the foregoing general description.

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